

**ROAD CARRIERS – LOCAL 707 PENSION FUND  
SUSPENSION APPLICATION**

**EXHIBIT 15**

109

**Road Carriers Local 707 Pension Fund**  
**EIN: 51-6106510**  
**PN: 001**

**Rehabilitation Plan Update**  
**for the Plan Year Ending**  
**8/31/2011**

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## 1. Introduction

The Road Carriers Local 707 Pension Fund (the "Plan") has been determined by the Plan's actuary to be in "critical" status [as defined in Section 432 of the Internal Revenue Code of 1986, as amended (the "IRC")] as of September 1, 2008. As of that date, a Rehabilitation Plan ("RP") was developed with benefit cuts and contribution rate increases which, at the time, were enough for the Plan to emerge into the "Green" zone by the end of the Rehabilitation Period. Due to a severe downturn in the economy our funding percentage dropped significantly as of September 1, 2009. However, the Board elected to temporarily freeze the Plan's Zone Status (and extend the rehabilitation period) under WRERA. Therefore, no update to our original RP was required in 2009. As of September 1, 2010, the Plan was not expected to emerge from the critical zone by the end of the rehabilitation period. Therefore, an RP Update must be prepared for the 2010 Plan Year.

The Rehabilitation Period for the Plan is the 13-year period beginning September 1, 2011. If the Plan emerges from critical status before the end of the 13-year period, the Rehabilitation Period ends with the Plan Year preceding the Plan Year for which the Plan's actuary certifies that the Plan is no longer in critical status.

### Date Summary

Initial Critical Zone Certification:	September 1, 2008
Adoption Period:	11/30/2008 – 8/31/2011
Rehabilitation Period:	9/1/2011 – 8/31/2024

*Rehabilitation Period* defined: Determine expiration date of the CBAs in effect on the due date of certification that covers 75% or more of the active participants. The Rehabilitation Period begins at the start of the first Plan Year starting after that point, but not later than the first Plan Year after 2nd anniversary of Rehabilitation Plan adoption (i.e., Year 4). The due date of the certification was 11/29/2008.

The Master Freight Agreement, which covered more than 75% of the population as of 11/29/2008, does not expire until 3/31/2015. Therefore the Rehabilitation Period starts on 9/1/2011, the first Plan Year after the 2<sup>nd</sup> anniversary of the Rehabilitation Plan Adoption.

## 2. Adopting a Schedule

Typically, with respect to each Collective Bargaining Agreement ("CBA") that was in effect on the adoption date and after the bargaining parties received a copy of the original RP, the bargaining parties shall agree to adopt one of the schedules (Default or Non-Default). If the bargaining parties fail to adopt a Schedule, then the Plan Sponsor shall implement the Default Schedule, and such Default Schedule shall take effect on the earlier of (i) the date the Secretary of Labor certifies that the parties are at an impasse, or (ii) the date which is 180 days after the date on which the CBA open on the 9/1/2008 expires.

a. Duration of Schedules

Once a Schedule described above takes effect, it shall remain in effect for the duration of the CBA and relied upon by the bargaining parties. When a CBA comes up for negotiation, it needs to be negotiated pursuant to the most recent update of this Rehabilitation Plan and the schedules within.

3. Updates to Schedules

The Plan Sponsor shall annually update the schedules and shall file the update with the Plan's annual report under Section 104 of ERISA. The annual update shall reflect updated projections of assets, liabilities and funding standard account credit balances provided by the Plan's actuaries, as well as a projection by the Plan's actuary as to whether or not the Plan is projected to emerge from critical status by the end of the Rehabilitation Period. Such update shall be adopted by the Plan Sponsor prior to the end of each critical year following the first critical year (2008). The updated schedules shall include additional actions, including updated contribution and benefit schedules, that the Plan Sponsor deems reasonable, and may be expected to enable the Plan to emerge from critical status by the end of the Rehabilitation Period.

4. Impact of Economic Downturn

The severe economic downturn of the past few years has created a tremendous funding burden related to the loss in asset value and reduction in employment (and future contributions). As a result, the plan sponsor determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the plan can not reasonably be expected to emerge from critical status by the end of the rehabilitation period.

After reviewing the options, the Trustees believed that such required contribution increases would cause employers to withdraw from the Plan leading to insolvency, financial assistance from the PBGC, and benefit cuts.

Based upon the above, the Trustees have selected the "non-default" schedule described in Section 5 below as permitted by IRC §432(e)(3)(A)(ii), also known as a "safety valve" schedule, which is intended to forestall insolvency.

Note that further cuts to adjustable benefits do not decrease the required contributions materially, nor do they materially forestall insolvency.

## 5. Schedules

### a. Non-Default:

#### Contribution Increases and Future Benefit Accruals

Compliance with the Non-Default Schedule requires the Contributing Employer's contribution rate to increase effective August 1, 2008, and increasing August 1st annually thereafter.

Future benefit accruals for the Normal Retirement Pension will be 0.6% of the Employer Contribution required to be made on behalf of the Participant for the first year the Non-Default Schedule is in place and the rate of future benefit accrual will be adjusted in the following years to provide a 4% annual benefit increase until the maximum benefit of \$115 is reached. This adjustment will be effective annually on January 1. The previous cap on a Contributing Employer's contribution rate (i.e., \$4.3975 per hour or, if lower, the rate in effect on December 31, 2004) is eliminated.

Contribution increases and accrual rates are scheduled as follows:

<u>Year</u>	<u>Contribution</u>	
	<u>Increase</u>	<u>Accrual Rate</u>
August 1, 2008	10.614%	0.6000%
August 1, 2009	9.596%	0.5694%
August 1, 2010	8.755%	0.5445%
August 1, 2011	8.051%	0.5241%
August 1, 2012	7.451%	0.5072%
August 1, 2013	5.944%	0.4979%
August 1, 2014	5.610%	0.4903%
August 1, 2015	5.312%	0.4842%
August 1, 2016	5.044%	0.4610%
August 1, 2017	4.802%	0.4399%

#### Adjustable Benefits Reduced

1. A Service Pension is available to Participants with at least 25 Pension Credits who have attained age 57 or to Participants with 30 Pension Credits at any age. The amount of the Service Pension is an unreduced Normal Retirement Pension. The Service Pension replaces the Twenty-Five Year Service Pension.
2. A reduced Service Pension is available to Participants with at least 25 Pension Credits who have not yet attained age 57. In this case, the amount of the reduced Service Pension is the Normal Retirement Pension reduced by 0.5% for each whole calendar month by which the commencement of benefits precedes the first day of the month coinciding with or next following the date the Participant attains age 65.
3. The Supplemental Pension Benefit is available to Participants with at least 25 Pension Credits who have attained age 57 or Participants with 30 Pension Credits at any age, where at least 18 Pension Credits are attributable to service under the Plan.

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**Adjustable Benefits Eliminated**

- Disability Pension
- Supplemental Lump Sum Post-Retirement Death Benefit
- Thirty-Year Service Lump Sum Post-Retirement Death Benefit
- 5-Year Period Certain Life Annuity

b. Default

**Contributions**

Compliance with the Default Schedule requires the Contributing Employer's contribution rate to increase, effective on the anniversary of the Contributing Employer's collective bargaining agreement, as follows:

<u>Year</u>	<u>Contribution Increase</u>
August 1, 2008	10.6%
August 1, 2009	9.6%
August 1, 2010	8.8%
August 1, 2011	8.1%
August 1, 2012	7.5%
August 1, 2013	3.5%
August 1, 2014	3.4%
August 1, 2015	3.2%
August 1, 2016	3.1%
August 1, 2017	3.0%

**Future Benefit Accruals**

For Participants whose Contributing Employers agree to comply with the Default Schedule, or for whom the Default Schedule is imposed by law, the future benefit accrual for the Normal Retirement Pension is unchanged (i.e., the rate of future benefit accrual will be 1.0% of the Employer Contribution required to be made on behalf of the Participant; provided that the Contributing Employer's contribution rate shall not exceed \$4.3975 per hour or the rate in effect on December 31, 2004 for Contributing Employers who are obligated to contribute to the Plan at a rate lower than the contribution rate established under the National Master Freight Agreement).

**Adjustable Benefits Eliminated**

- Twenty-Five Year Service Pension
- Supplemental Pension Benefit
- Disability Pension
- Supplemental Lump Sum Post-Retirement Death Benefit
- Thirty-Year Service Lump Sum Post-Retirement Death Benefit
- 5-Year Period Certain Life Annuity